

Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

Corrected

Council Minutes
November 3, 2010
7:00 p.m.-Pitts Center

The Southern Shores Town Council met on November 3, 2010 at the Pitts Center.

The following Council Members were present: Mayor Hal Denny, Council Members Jodi Hess, Kevin Stroud, Jim Pfizenmayer and George Kowalski.

Also present were: Town Manager Peter Rascoe, Town Attorney Ben Gallop and Town Clerk Carrie Gordin.

Mayor Denny called the meeting to order at 7:00 p.m. He led the Pledge of Allegiance and held a moment of silence for our men and women in uniform serving around the world.

APPROVAL OF AGENDA

Mayor Denny moved to amend the agenda by removing item IX. B. Board of Adjustment Appointments. This item will be placed on a future agenda. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

Approval of Minutes-October 19, 2010

Council Member Hess moved to approve the October 19, 2010 minutes as presented. Council Member Pfizenmayer seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

CONSENT AGENDA-None

STAFF REPORTS

Town Planner

Wes Haskett reported on several issues as follows: Staff will provide to Council a list of prospective Board of Adjustment appointees at the December 7 Council meeting; Verizon Wireless is in the last stages needed for a streamlined administrative review to place additional facilities on the Dare County water tower at the Kitty Hawk Elementary School site; Planning Board members will be reviewing the current draft of the proposed Wind Generation Facilities Ordinance and white paper at the board's next meeting; as requested, the Planning Board will present a draft Transportation Infrastructure Resolution to Council at the December 7 meeting; on October 12th a copy of the updated Land Use Plan was submitted to the State and adjoining jurisdictions for review; seven sets of building plans were reviewed and approved for the month of October, and one Code Violation letter was mailed for a signage violation.

Police Department

Chief Kole presented the monthly report. Chief Kole also reported officers have completed mandated in-service training with a total of 288 hours, and firearms qualifications have been completed.

Southern Shores Volunteer Fire Department

Chief Harvey presented the monthly report. He reminded that daylight savings time ends on Sunday and to turn back clocks, as well as to change out batteries in smoke detectors.

Building Inspections

Alvin Rountree, Code Enforcement Administrator presented the monthly report.

REPORTS FROM BOARDS, COMMITTEES, AND ASSOCIATIONS

Town Planning Board- October 4, 2010 and October 18, 2010 Recaps

[Clerk's Note: Copies of Planning Board Reports for October 4, 2010 and October 18, 2010 are hereby attached as Exhibit A].

Southern Shores Civic Association

Karen Kranda, President, reported the proposed lease with AT&T for the placement of a cell tower was overwhelmingly approved by SSCA members. She also reported that many dead pine trees are being removed (18) from SSCA property, and that many more needed to be removed. Trees around the ponds will be replaced with vegetation.

Chicahauk Property Owner's Association-None

Build the Bridge/Preserve Our Roads Committee

Bob Palombo reported the Turnpike Authority is finalizing the Impact Study and there are no expected problems. Once the Final Environmental Impact Statement is issued, the Authority may apply for the various required Federal and State permits. Barring any problems or challenges with permits, construction is to be completed in 2014.

PROJECT REPORTS

Canal Dredging Project-Project Manager

Tom Bennett reported clearing and construction of the Hillcrest dewatering site has begun. The dredge has been delivered and is waiting to be mobilized. The target date to begin dredging is November 15. The contractor has assured him that operations can shift to the main incoming channel, if necessary, due to any unforeseen time constraints. He provided several pictures of the on-going operation at the dewatering site and reminded everyone that the site is not open to the public for safety reasons.

GENERAL PUBLIC COMMENT-None

OLD BUSINESS

Ratification of Canal Project Completion Agreement

The Town Attorney stated Council previously directed the Town Manager to execute a negotiated canal dredging project completion agreement when he felt comfortable with the final document. The agreement was executed on September 7, 2010. N.C. General Statute 143-318. 11(a) (3) requires finalized settlements to become a part of the minutes. The Town Attorney recommends Council ratify the completed agreement as the means to make it a part of the minutes.

Mayor Denny moved to ratify the Project Completion Agreement executed by the Town Manager on September 7, 2010. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

NEW BUSINESS

2010-11-01 Amendment to Town Code Section 14 "Fire Prevention and Protection"

The Town Manager stated the proposed changes to Section 14 of the Town Code are to clarify the current ordinance. He requests Council consider approving the new language as submitted for Section 14-68 and Section 14-70.

Council Member Hess moved to approve Ordinance 2010-11-01 as presented. Mayor Denny seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

[Clerk's Note: A copy of Ordinance 2010-11-01 is hereby attached as Exhibit B].

Town's Fee Schedule (Amendment)

The Town Manager stated upon review of other Town's fee schedules and upon discussing proposed changes with staff, the proposed fee schedule is submitted for Council consideration.

Following discussion Council Member Hess moved to approve the amended Town's Fee Schedule as submitted. Council Member Kowalski seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

Proposed Internal Control Policy

Bonnie Swain, Finance Officer, submitted a proposed Internal Control Policy for Council's consideration. She stated during the Audit Report, the Auditor recommended that a written Internal Control policy be established. The Finance Officer stated this policy is the same policy that is currently being followed by staff.

Mayor Denny moved to approve the Internal Control Policy dated November 3, 2010 as submitted. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

[Clerk's Note: A copy of the Internal Control Policy is hereby attached as Exhibit C].

Proposed Adverse Weather Policy

Bonnie Swain, Human Resource Officer, submitted a proposed Adverse Weather Policy and stated this written policy is to clarify employees' responsibilities for reporting to work during adverse weather conditions.

Council Member Hess moved to approve Section 26, Article 7 of the Personnel Policy to include the Adverse Weather Policy. Council Member Pfizenmayer seconded.

Council Member Kowalski stated he would like to see additional language clarifying what will happen if an employee has no accrued vacation leave to utilize in the event use of leave is necessary.

Council Member Hess moved to revise her motion specifying that the policy state an employee will have an appropriate deduction from pay if there is insufficient vacation leave to cover absence due to inability to report to work. Council Member Kowalski seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

[Clerk's Note: A copy of the Adverse Weather Policy is hereby attached as Exhibit D].

OTHER ITEMS

Town Manager's Report

The Town Manager reported that the CPOA periodically trims overhanging vegetation along the multi-use paths in Chicahauk and is doing that now along the path on Spindrift Trail. The current street improvement project is almost completed and complaints have been addressed quickly. Two change orders have occurred within the contract: (1) on October 14, 2010 additional vegetation removal was needed in the amount of \$997.00 and (2) on October 18, 2010 re-locating and adding storm water swales in the amount of \$2,286.00. The Town Manager is in discussions with NCDOT on drafting a plan for the replacement of the Juniper Trail Bridge. No bids were received on the RFP issued for the Structural/Geotechnical Analysis for the bridge. The Town did incur expenses for the advertising and drafting of the RFP. The Capital Improvement Plan Committee held its first meeting. The next meeting is scheduled for November 22 at 8:00 a.m. Staff has begun to work gathering information on a shoreline stabilization ordinance. The Town Manager briefed Council on the latest ruling of the Court of Appeals regarding the appeal from the decision of the Rate Bureau and Insurance Commissioner on flood insurance for coastal counties. The new format for the Town's Broadcast Email is being transmitted twice a month. Subscribers are utilizing the Town's website and the Town's Facebook page in increasing numbers. A weatherproof Bulletin Board is being erected outside Town Hall. At 11 o'clock AM on November 11, the local chapter of the Knights of Columbus is providing a Veterans Day ceremony outside Town Hall. If weather is prohibitive, the ceremony will be held in the Pitts Center.

Town Attorney's Report-None

Mayor-None

Council

Council Member Stroud extended his congratulations to Jack Shea, Town resident, for his re-election as a County Commissioner.

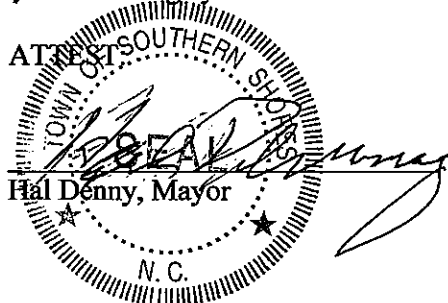
Council Member Pfizenmayer requested, as a future agenda item, discussion be held regarding the placement of cross-walks on NC12 at 10, 11 and 12th Avenues.

Hearing no other regular business Mayor Denny moved to go into closed session pursuant to NCGS 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege and (6) to consider a personnel issue. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.

Upon returning to open session Council Member Hess moved to approve a Resolution Implementing a Reduction in Force. Council Member Kowalski seconded. The motion passed with Mayor Denny and Council Members Hess and Kowalski voting aye and Council Members Stroud and Pfizenmayer voting no.

[Clerk's Note: A copy of the Resolution Implementing a Reduction in Force is hereby attached as Exhibit E].

Hearing no other business Mayor Denny moved to adjourn at 10:15 p.m. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Stroud, Pfizenmayer and Kowalski voting aye.



Respectfully submitted:


Carrie Gordin, Town Clerk

Exhibit A

To: Southern Shores Town Council (Hal Denny, Jodi Hess, George Kowalski, Jim Pfizenmayer, Kevin Stroud)

Copies: Town Manager (Peter Rascoe)

Town Attorney (Ben Gallop)

Town Staff (Pat Forrester, Carrie Gordin, Alvin Rountree, Merrie Smith, Bonnie Swain)

Planning Board (Mike Florez, Bill Gleason, Larry Lawhon, Elizabeth Morey, Bob Palombo, Jay Russell, Sam Williams and ETJ Rep, Ed Overton)

From: Wes Haskett, Town Planner

Date: October 28, 2010

Re: October 4, 2010 Planning Board Workshop Meeting Recap

RECOMMENDED ACTIONS FOR THE TOWN COUNCIL – None

PLANNING BOARD WORKSHOP MEETING RECAP OCTOBER 4, 2010

The Planning Board convened at 6:58 pm. Planning Board Members Mike Florez, Bill Gleason, Bob Palombo, Jay Russell, Sam Williams, alternate member Larry Lawhon, alternate member Elizabeth Morey, Town Planner Wes Haskett, and Administrative Assistant Merrie Smith were present. ETJ Representative Ed Overton was absent with excuse.

Planned agenda items for the meeting included:

1. Summary of and Follow-up to the Joint Town Council/Planning Board Meeting

Bill Gleason motioned to approve the agenda. Bob Palombo seconded the motion. The motion passed unanimously.

Jay Russell motioned to approve the minutes of the September 20, 2010 Workshop meeting. Bill Gleason seconded the motion. The motion passed unanimously.

SUMMARY OF AND FOLLOW-UP TO THE JOINT TOWN COUNCIL/PLANNING BOARD MEETING (SAM WILLIAMS)

Sam Williams reported that the joint Town Council/Planning Board meeting went very well and that it is now clear what the Town Council wants the Planning Board to pursue and not pursue.

Wind Generation Facilities Ordinance and White Paper

The Town Council voted for the Planning Board to pursue a Wind Generation Facilities Ordinance and White Paper. Mike Florez reported that the Wind Generation Facilities Ordinance is near completion and he hopes to have the Wind Generation Facilities Ordinance and White Paper complete in January, 2011.

Stormwater Management Ordinance

The Town Council voted for the Planning Board to pursue a Stormwater Management Ordinance. Town Staff and the Planning Board will draft a Stormwater Management Ordinance. A clear presentation will be needed that clarifies who is impacted and the thresholds that determine compliance with the proposed Ordinance.

Height Calculation Zoning Text Amendment

The Town Council voted for the Planning Board to pursue the Height Calculation Zoning Text Amendment. Town Staff and the Planning Board will re-address the proposed zoning text amendment with Planning Board member Bill Gleason serving as the Board's liaison.

Subdivision Zoning Text Amendment

The Town Council voted for the Planning Board to pursue the Subdivision Zoning Text Amendment. Town Staff will draft a proposed amendment for the Planning Board's consideration by January, 2011 with Planning Board member Sam Williams serving as the Board's liaison.

Lot Disturbance Zoning Text Amendment

The Town Council voted for the Planning Board to pursue the Lot Disturbance Zoning Text Amendment. Planning Board alternate member Elizabeth Morey will be the project leader for the proposed amendment.

CAMA Land Use Plan Update

The Town Council voted for the Planning Board to pursue the CAMA Land Use Plan update which was to be discussed at the Council's October 5, 2010 meeting.

Transportation Infrastructure

The Town Council voted for the Planning Board to pursue the Transportation Infrastructure project. The Council asked for the Planning Board to submit a framework for decision making (guiding principles) resolution along with a list of both previously Council approved/unapproved policies and action items.

Citizen Communication White Paper

The Town Council voted for the Planning Board to pursue the Citizen Communication White Paper.

Parks and Recreation White Paper

The Town Council indicated that the Planning Board should not pursue a parks and recreation white paper.

Parking White Paper

The Town Council indicated that the Planning Board should not pursue a parking white paper.

Hazard Mitigation Plan Update

The Town Council indicated that the Planning Board should not pursue a hazard mitigation plan update. The current Hazard Mitigation Plan, which must be updated every five years, falls under Dare County's Hazard Mitigation Plan. Town Staff will take the lead for the next update.

Canal Bank Stabilization Zoning Text Amendment

The Town Council voted for the Planning Board to pursue a Canal Bank Stabilization Zoning Text Amendment. Town Staff and the Planning Board will draft a proposed amendment.

Home Occupation Business-Parking and Signs Zoning Text Amendment

Councilmember Hess asked the Planning Board to consider a home occupation business-parking and signs zoning text amendment. The Planning Board decided not to consider this suggestion at this time.

Communication and Interaction Between Planning Board, Council and Staff

In an effort to improve communications between the Planning Board and Council, Chairman Williams reviewed ongoing communication efforts. This included the elimination of the Planning Board's Planning Advisory Group and establishing a monthly Planning Board Workshop meeting. In addition, Chairman Williams stated that the Planning Board will only work through the Town Planner on issues that need to be reviewed by the Town Attorney or Town Engineer. The Planner will consult with the Town Manager before contacting either of these outside sources.

PLANNING BOARD RULES OF PROCEDURE

Sam Williams asked the Planning Board if they felt it was necessary to amend the current Rules of Procedure with respect to meeting agendas and incorporating Statements of Work. Bob Palombo motioned to incorporate the Statement of Work format into the Rules of Procedure. Mike Florez seconded the motion. The motion passed unanimously to draft a proposed amendment.

UPCOMING MEETINGS & PROPOSED AGENDA ITEMS

1. Planning Board Application Review Meeting October, 18, 2010 – Cancelled
2. Planning Board Workshop Meeting October 18, 2010 Pitts Center 7 pm
 - A. Review of Proposed Planning Fee Schedule Amendments
3. Planning Board Workshop Meeting November 1, 2010 ??
4. Planning Board Application Review meeting November 15, 2010 Pitts Center 7 pm

ADJOURNMENT

Bob Palombo motioned to adjourn. Bill Gleason seconded the motion. The motion passed unanimously and the meeting adjourned at 8:15 pm.

To: Southern Shores Town Council (Hal Denny, Jodi Hess, George Kowalski, Jim Pfizenmayer, Kevin Stroud)

Copies: Town Manager (Peter Rascoe)

Town Attorney (Ben Gallop)

Town Staff (Pat Forrester, Carrie Gordin, Alvin Rountree, Merrie Smith, Bonnie Swain)

Planning Board (Mike Florez, Bill Gleason, Larry Lawhon, Elizabeth Morey, Bob Palombo, Jay Russell, Sam Williams and ETJ Rep, Ed Overton)

From: Wes Haskett, Town Planner

Date: October 28, 2010

Re: October 18, 2010 Planning Board Workshop Meeting Recap

RECOMMENDED ACTIONS FOR THE TOWN COUNCIL – None

PLANNING BOARD WORKSHOP MEETING RECAP OCTOBER 18, 2010

The Planning Board convened at 7:00 pm. Planning Board Members Mike Florez, Bill Gleason, Bob Palombo, Jay Russell, Sam Williams, alternate member Larry Lawhon, Town Planner Wes Haskett, and Administrative Assistant Merrie Smith were present. Alternate member Elizabeth Morey and ETJ Representative Ed Overton were absent with excuse.

APPROVAL OF AGENDA

Planned agenda items for the meeting included:

2. Planning Board Rules of Procedure
3. Proposed Planning Fee Schedule Amendments
4. Transportation Infrastructure Resolution & Policies and Action Items

Chairperson Sam Williams requested that two new items be added to the agenda under Old Business as B and C: Joint Town Council/Planning Board meeting minutes and summary of joint meeting table. Bill Gleason motioned to approve the agenda as amended. Mike Florez seconded the motion. The motion passed unanimously.

APPROVAL OF MINUTES

Bob Palombo motioned to approve the minutes of the October 4, 2010 Workshop meeting. Jay Russell seconded the motion. The motion passed unanimously. Later in the meeting, an error in the approved minutes was discovered. The approved minutes were amended. Bill Gleason motioned to approve the amended minutes of the October 4, 2010 Workshop meeting. Bob Palombo seconded the motion. The motion passed unanimously.

PUBLIC COMMENT

None

PLANNING BOARD RULES OF PROCEDURE

Chairperson Sam Williams noted that at the Board's last meeting, the Planning Board decided it was necessary to amend the current Rules of Procedure with respect to meeting agendas and incorporating Statements of Work and presented a revised Planning Board Rules of Procedure document which included these changes as well as some capitalization corrections. The Order

of Business Section (Section 9), which includes agenda format, was to be deleted in its entirety. Mike Florez motioned to approve the deletion of the Order of Business Section (Section 9) of the Rules of Procedure as presented. Bill Gleason seconded the motion. The motion passed unanimously.

Chairperson Sam Williams also noted that the proposed revisions also included adding a new Section (Section 22) which addresses Planning Board Committees and Special Projects which outlines the processes to be followed when creating a committee and how a new special project is to be executed. The format to be followed for Statements of Work was also proposed to be inserted as Attachment A. The Board discussed further revision of the proposed document by deleting "Co-sponsors" and inserting "Planning Board" in all subsections of Section 22 where they were addressed. Bob Palombo motioned to approve the Rules of Procedure as amended. Jay Russell seconded the motion. The motion passed unanimously to adopt the proposed changes to the Planning Board Rules of Procedure.

JOINT TOWN COUNCIL/PLANNING BOARD MEETING MINUTES

Chairperson Sam Williams reported that he reviewed the first draft of the Joint Town Council – Planning Board meeting (held September 27, 2010). His comments on the first draft of the joint meeting minutes were accepted by the Planning Board at its last meeting. These comments were provided to the Town Council just prior to the Council's October 5, 2010 meeting. However, the draft minutes were tabled by the Town Council because the Council felt that the Planning Board did not have enough time to adequately review the draft minutes and the format / text of the draft minutes needed to be revised.

Council member Hess revised the first draft of the joint meeting minutes. Chairperson Williams provided comments on the second draft of the joint meeting minutes and provided them to the Planning Board for its review and to the Council FYI.

The Planning Board accepted Chairperson Williams' comments. In addition, Bob Palombo noted that it would be more appropriate to revise the heading on page 2, line 33 to "Transportation Infrastructure Policies and Action Items" since the Board is proposing a Transportation Infrastructure resolution. Bob Palombo motioned to approve the minutes as discussed. Jay Russell seconded the motion. The motion passed unanimously to adopt the minutes as discussed.

[Note: On October 19, 2010, the Council adopted the second draft of the joint meeting minutes with Council member Hess' and Chairperson Williams' proposed revisions. The Council was not aware of Planning Board member Palombo's proposed changes. Therefore, the Council's and Planning Board's adopted minutes of the joint meeting minutes vary slightly.]

SUMMARY OF JOINT MEETING TABLE

Chairperson Sam Williams reported that he had revised the Summary of Projects table and asked if the Board had any further comments. The Board identified several areas that could be revised including table headings/categories, project liaisons, project statuses, and project completion dates. Chairperson Sam Williams will further revise the table for the Board's consideration at their next meeting.

PROPOSED PLANNING FEE SCHEDULE AMENDMENTS

Wes Haskett reported that the Town Manager had requested that the Inspections and Planning Department research the current fee schedules for the adjoining jurisdictions and compare them to the Town's current fee schedule with respect to Planning/Development fees. Town Staff

found that the Town's current Planning/Development fees are significantly lower than the current fees in place for the adjoining jurisdictions and drafted an amended fee schedule. The Town Manager also requested comment from the Planning Board on the proposed amendments prior to submittal to the Town Council which was provided by the Board for Town Staff's consideration. The Planning Board provided comments on the proposed fee schedule.

TRANSPORTATION INFRASTRUCTURE RESOLUTION & POLICIES AND ACTION ITEMS

Bob Palombo reported that he had drafted a proposed Transportation Infrastructure Resolution per the Town Council's request which identifies guiding principles for making decisions on transportation infrastructure, public safety, and traffic control. A summary of transportation infrastructure policies and action items was also drafted per the Town Council's request. The summary lists which policies and action items have been approved / not approved by the Town Council. The Board provided comments on the proposed resolution and summary. It was recommended that the approved road classification system be included on the summary. Unapproved Action Items 2.c. (crosswalk signs on NC 12) and 3.a. (stormwater) were amended for clarification purposes. Bill Gleason motioned to approve the proposed resolution, and policies and action items as amended. Jay Russell seconded the motion. The motion passed unanimously.

PUBLIC COMMENT

No public comment.

PLANNING BOARD MEMBER COMMENTS

Jay Russell indicated that he would like the Board to consider, at a future Planning Board Workshop, the possibility of not pursuing a stormwater management ordinance. The Board agreed to discuss this topic at a future Planning Board Workshop.

Chairperson Sam Williams reported that the Town Council approved the Land Use Plan update at their October 5, 2010 meeting. The LUP has been submitted to the State and adjoining jurisdictions for a minimum review period of 45 days.

ANNOUNCEMENTS

Chairperson Sam Williams reported that the Pitts Center will not be available for use until November 10, 2010 and proposed to hold the next Workshop meeting on November 15, 2010. Currently planned agenda items include additional discussion of the Transportation Infrastructure Resolution, and Policies and Action Items, and discussion of the draft Wind Generation Facilities Ordinance, White Paper and public workshop.

UPCOMING MEETINGS & PROPOSED AGENDA ITEMS

5. Planning Board Workshop meeting November 1, 2010 – Cancelled
6. Planning Board Application Review meeting November 15, 2010 – Cancelled
7. Planning Board Workshop meeting November 15, 2010 Pitts Center 7 pm
 - A. Transportation Infrastructure Resolution & Policies and Action Items Follow-up
 - B. Wind Generation Facilities Ordinance, White Paper and public workshop.

ADJOURNMENT

Bill Gleason motioned to adjourn. Mike Florez seconded the motion. The motion passed unanimously and the meeting adjourned at 8:25 pm.

**AN ORDINANCE OF THE SOUTHERN SHORES TOWN COUNCIL
ENACTING TECHNICAL AND CLARIFYING AMENDMENTS TO
CHAPTER 14 FIRE PREVENTION AND PROTECTION**

Article I: Purpose

The purpose of this Ordinance is to amend the Town Code of Southern Shores, Dare County, North Carolina, which was originally adopted by the Town Council on October 2, 1979 and subsequently amended, with amendment specific to this ordinance being adopted September 1, 2009.

Article II. Construction

For purposes of this Ordinance, underlined words shall be considered as additions to existing Zoning Ordinance language and strikethrough words (~~strikethrough~~) shall be considered deletions to existing language.

Article III. Amendment of Chapter 14 of the Town Code of Southern Shores

NOW THEREFORE, BE IT ORDAINED by the Town Council for the Town of Southern Shores, North Carolina that sections of Chapter 14 of the Code of Ordinances of the Town of Southern Shores, North Carolina as now exists are hereby further amended as follows:

**Chapter 14
FIRE PREVENTION AND PROTECTION**

Sec. 14-68. Combustible materials

It shall be unlawful for any person to build or set an open fire in any location except in the areas and under the conditions specified below:

.....
(5) No open fire ~~of any type~~ shall be built or set neither in a marina area or a picnic area nor in any other area owned by a Residential or Civic or other Owner's Association without a permit.

Sec. 14-70. Permits

.....
(c) Permits must be posted within 10 feet of the pavement in front of the property for which the permit is issued during the time of the burn and must be removed when the fire is extinguished, and returned to Town Hall when the permit expires.

Article IV: Effective Date

This Ordinance is effective immediately upon adoption.

Adopted this the 3rd day of November 2010.

Vote: 5 Aye 0 Nay

S E A L

Mayor

Attest : _____
Town Clerk

Approved as to Form:

Town Attorney

Town of Southern Shores Internal Control Policy

Overview

The purpose of this policy is to document how the management of the Town of Southern Shores has fulfilled their responsibility for implementing and maintaining a sound and comprehensive framework of internal control. Internal Control is a process which is designed by an entity's management to provide reasonable, but not absolute, assurance regarding the achievement of organizational objectives in the categories of: 1) Financial reporting; 2) Operations; and 3) Compliance with laws and regulations. Internal control is a system of procedures and cross-checking that in the absence of collusion minimizes the likelihood of misappropriation of assets or misstatement of the accounts, and maximizes the likelihood of detection of this occurs.

Components of Internal Control

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment sets the tone for the organization. It provides discipline and structure and strongly influences the control of the members of the organization. The key factors expected of management include:

- *Integrity and Ethical* values of managers and staff. Management plays a key role in providing standards of behavior, removing temptations for unethical behavior, and providing discipline when required.
- *Commitment to competence* so that all personnel receive the training, counseling, and performance evaluations required to perform their duties.
- *Management's philosophy and operating style* will impact the amount of risk tolerated and what behavior is rewarded or disciplined
- *Organizational structure* impacts how internal control functions are communicated, respected and reported.
- *Manner in which authority is delegated* for operations and control functions establishes accountability for results.
- *General policies and practices of the organization* impact the control environment by establishing proper hiring, training, evaluating, counseling, promoting, compensating and disciplinary guidelines.

Risk Assessment is the identification and analysis of relevant risks which may prevent a department from meeting its operational, financial and compliance objectives.

Control Activities are those policies, procedures or activities that help ensure that management's directives are carried out. They may consist of performance reviews, information processing, physical controls and segregation of duties.

Information and Communication focus on the entity's human and technological systems to ensure that the correct information is presented to the correct individuals at the right time in the correct format.

Monitoring is the process of assessing the quality of internal control performance over time. Monitoring on an ongoing basis is essential to make sure they are functioning as intended, and if not, an effective, corrective action will be taken.

Limitations of Internal Control

There are several factors which can reduce the effectiveness of internal controls.

- *Cost-Effectiveness*-The cost of a control in dollars or staff time should not outweigh the potential benefit.
- *Management Override* can easily circumvent control procedures, whether for expediency or personal benefit.
- *Unintended problems* such as employee errors, mistakes in judgment, carelessness, or misunderstanding of instructions can be impediments.
- *Collusion* is the intentional act of two or more employees to circumvent existing controls. This is usually hard to detect, and the difficulty increases with the authority level of the employee.

Management Objectives

The purpose of internal controls is to help ensure the following management objectives are met:

- *Safeguarding Assets*- The Town of Southern Shores is responsible for prudent stewardship of all items acquired with taxpayer funds including infrastructure, buildings, software, supplies and cash, and for protecting other intangible items necessary for business functioning such as customer and employee functions.
- *Integrity of financial information*- Financial information is accurate, complete, properly authorized and valued, and produced in a timely manner.
- *Compliance with laws and regulations* – The Town’s financial operation complies with all state and federal requirements, current Generally Accepted Accounting Principles and Governmental Auditing Standards (GAAP and GAGAS), all provisions of the bond order and related financial obligations, and any applicable grant or other funding source.
- *System promotes operational efficiency* – Controls are cost-effective and easy to maintain working as intended according to approved policy.

Town of Southern Shores’ Internal Control Practices

1) Control Environment

- a) Keeping core values of trust, honesty and accountability at the heart of management decisions and personnel evaluations.
- b) The hiring process includes credit checks on all finance related employees to avoid finance employees with personal financial issues.
- c) Annual audit by well-qualified external CPA firm and any suggestions for improvement made by the auditor are implemented in a timely manner by the management and the governing body.
- d) Hiring qualified financial personnel and providing continuing training and educational opportunities.
- e) Monthly financial reports are prepared and sent to management and the governing body on or before the tenth of the following month.

2) Risk Assessment and Control Activities

a) *Cash*

1. Risk

Employee could pocket cash received from customers

Control Procedure

Separate functions of receiving payments and making bank deposit

2. Risk

Employee could pocket cash using false invoice

Control Procedure

All invoices are approved by the department head whose department made the purchase and then approved by the Finance Officer. The invoice is then forwarded to the person who writes checks. Checks are signed by the Town Manager and Finance Officer.

3. Risk

Employee could pocket cash from petty cash drawer.

Control Procedure

Finance Officer balances petty cash drawer on a monthly basis.

4. Risk

Employee could try to steal cash using blank check.

Control Procedure

The blank checks are locked nightly. The Administrative Specialist verifies the beginning and ending check numbers used in each batch and two signatures are required for all checks.

b) *Investments*

1. Risk

Investments and/or related income could be improperly recorded

Control Procedure

Compare financial records with statements prepared by custodian. A monthly investment report is given to Council.

2. Risk

Investments not allowed under NC law could be purchased

Control Procedure

Semi-annual report of investments to LGC and Council

c) *Debt*

1. Risk

Debt could be issued improperly

Control Procedure

All debt is authorized by Council under auspices of LGC.

2. Risk

Debt service could be underpaid or inadvertently missed

Control Procedure

Annual schedule of debt service corroborated with LGC and Trustee; trustee notifies Finance Officer if sufficient funding is not received.

d) Revenues

1. Risk

Revenues could be improperly recorded or not received in their entirety

Control Procedure

Daily bank deposits; monthly revenue reports to Manager and Council;
monthly review and analysis of all Town's receipts

e) Expenditures

1. Risk

Unauthorized or unavailable funds could be expended

Control Procedure

Council approved budget by department entered into accounting software which is reflected in line item expenditure tracking; password system on accounting software used to validate identity of authorizing staff; items purchased over \$250 require a purchase order approved by the Finance Officer and department head and items purchased must be received and verified by department head before payment is allowed; invoices must be approved for payment by department head and Finance Officer; contracts are pre-audited by Finance Officer.

2. Risk

Incorrect amounts could be recorded or correct amounts omitted

Control Procedure

Discrepancies between amount authorized and paid must be resolved before PO can be closed during periodic reconciliations. Department Heads also receive monthly budget-to-actual expenditure reports and details.

f) Fixed Assets

1. Risk

Fixed Assets purchased could be incorrectly omitted from financial records.

Control Procedure

Finance Officer and external auditor carefully examine expenditures posted to capital equipment account and other large expenditures; Records of infrastructure can support financial amounts; physical inventory taken every 2-3 years with unique asset identifier reconciling GL with subsidiary fixed asset list.

2. Risk

Fixed Assets no longer in service inadvertently left on financial records and/or impairment not properly disclosed

Control Procedure

Physical inventories every 2-3 years with departmental staff; infrastructure records can be compared to subsidiary fixed asset ledger.

3. Risk

Assets could be lost due to theft, employee error or casualty

Control Procedure

Adequate property and liability coverage maintained; moveable assets tagged with item name and unique identifier number; buildings and storage areas locked after hours.

f) Purchasing

1. Risk

Risk of not getting best value for taxpayer's dollars

Control Procedure

Follow formal and informal bid procedures based on state law and best practices, as outlined in adopted Town policy.

g) Payroll

1. Risk

Payments to be made to persons not employed by the Town of Southern Shores.

Control Procedures

Timesheet submission required by all employees and must be signed by applicable Department Head; Town too small to hide "phantom" employees; new hire and termination forms authorized by Department Head and Finance/Personnel Officer prior to receipt by Payroll; external accounting firm produces actual pay checks that are checked by external auditor.

2. Risk

Amounts paid and/or deducted are incorrect

Control Procedures

Payroll file is maintained to document current pay rates and deductions; periodic audit of payroll file to verify rates and deductions; pay stubs are distributed with detail for employee verification.

3. *Monitoring Internal Controls*- On a periodic basis, the Finance Officer or designee will monitor the effectiveness of these controls and propose any modifications as indicated. Also, the Finance Officer will immediately investigate any malfunctioning of internal controls discovered by external auditors and/or Town Manager and appropriate remedial action will be taken and documented.
4. *Misuse of Town assets*- Any employee who becomes aware of the misuse or potential misuse of town assets shall immediately notify the Finance Officer. If the Finance Officer is involved in the misuse or potential misuse, the employee shall immediately notify the Town Manager. The Finance Officer and/or Town Manager, as appropriate, shall investigate and take appropriate action.

Adopted 11/3/10

ARTICLE VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 26. ADVERSE WEATHER CONDITIONS

Town offices and departments shall remain open for the full scheduled working day unless authorization for early closing or other deviation is received from the Town Manager's office. All departments and offices will be given sufficient advance notice of any authorized early closings. Employees who leave before an official closing time, as well as employees who report for work late or do not report for work at all, will be required to use earned annual leave for days or hours taken. In the event an employee does not have adequate vacation leave to take for time missed for adverse weather, the hours missed will be deducted from pay.

Exhibit E

Resolution Implementing a Reduction in Force

The Town Council of the Town of Southern Shores, NC, pursuant to the Town's Reduction in Force policy as incorporated in the adopted Personnel Policy, does hereby enact a reduction in the work force of the Town based on the following findings and conclusion:

1. As one means of contributing to abatement of the continuing use of the Town's fund balance to meet foreseeable budget shortfalls in revenues, the Town Manager has evaluated the necessity of each position employed within the Town's workforce.
2. The Town Manager has considered the services and work outcomes expected and anticipated of each employed position based on the respective job descriptions as documented in the Town's Position Classification Plan; the Town Manager has considered whether the resulting workloads are sufficient to warrant the necessity of each position, considering both current public demand for the services and anticipated budget shortfalls.
3. The Town Manager has determined that certain positions of the Town's work force are not currently necessary for Town operations based on significantly reduced or non-existent workloads; the Town Manager has also determined that the Town can realize reduced expenses if current reduced workloads are performed through private or public contract or by absorption by other positions of the Town's work force.
4. One of the positions determined not necessary for current Town operations is "Administrative Assistant". The current job description for the "Administrative Assistant" position was adopted by the Town Council on July 20, 2010 at the recommendation of the Town Manager.
5. The specific duties and responsibilities delineated in the "Administrative Assistant" job description are unique and clearly distinct from the job descriptions of all other Town positions, including specifically those other positions within the same Administration Department; the "Administrative Assistant" position is therefore a separate class or category from each of the other Town positions.
6. One of the positions determined not necessary for current Town operations is "Code Enforcement Administrator". The primary duties and responsibilities for this position are serving as the Town's Building Inspector. The specific duties and responsibilities delineated in the position's job description are unique and clearly distinct from the job descriptions of all other Town positions; the "Code Enforcement" position is therefore a separate class or category from each of the other Town positions.
7. One of the positions determined not necessary for current Town operations is the part-time position "Fire Inspector". The specific duties and responsibilities for the part-time position "Fire Inspector" are unique and clearly distinct from the job description of all other Town positions; the "Fire Inspector" position is therefore a separate class or category from each of the other

Town positions.

8. The Town Manager has now determined that there is insufficient work for the positions of Administrative Assistant, Code Enforcement Administrator and Fire Inspector, thereby creating a necessity that these positions be eliminated from the Town's Position Classification Plan.

9. Upon adoption of this resolution, the Town Manager will implement a reduction in force accordingly.

Based on the foregoing findings of fact, the Town Council concludes that a Reduction in Force of the positions of "Administrative Assistant", "Code Enforcement Administrator" and "Fire Inspector" is necessary.

Therefore be it resolved that the positions of Administrative Assistant, Code Enforcement Administrator and Fire Inspector are eliminated effective November 19, 2010, and the Town Clerk is directed to amend the Town's Position Classification plan commensurate with this action. Upon separation by reduction in force, the employees occupying each of these three positions shall also be paid for their accumulated vacation leave in accordance with the Town's Personnel policy.

The Town Manager is further authorized to administer the absorption of the work of each of these positions into the remaining workforce or contract for the services through private or public contract at reduced expense.

Enacted by the Town Council this the 3rd day of November 2010.

Mayor

Attest: _____

Town Clerk